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North Marin Water District Approves Rate Increase \$4 Per Month Increase for the Typical Residential Customer

On June 16, 2020, following an extensive public review process, the Board of Directors of North Marin Water District approved new rates. The overall revenue increase is 6%. Individual bills will vary, but the typical residential customer (56% of all accounts) will pay about \$4 more per month as a result of the approved changes.

Economic Impacts to Customers due to Coronavirus Pandemic – Access to safe, clean, reliable water is absolutely essential – especially during a global pandemic. The District recognizes, however, that the current economic downturn has created a hardship for some customers. As a result, the rate increase will be delayed until fall. “The new rates were planned to go into effect this July 1,” according to Board President Michael Joly. “However, because of concern about the impact caused by Coronavirus to our customers and the economy, the Board decided to postpone this necessary increase for three months until October 1, 2020.” Additionally, the District has taken various actions to help customers who are experiencing financial difficulties. Foremost of these actions is the implementation of a new Low-Income Rate Assistance Program. Effective July 1, 2020, the program will provide a credit of \$15 per bill for low-income customers. Additional measures include extension of the water shutoff moratorium for three months beyond the state’s moratorium, extending payment plan durations from 12 to 24 months, and waiving all late fee charges for six months.

Lowest Practical Increase. “We are mindful of these difficult times and have carefully worked to ensure this is the lowest prudent rate increase needed to raise the necessary revenue to continue providing a reliable and quality water supply,” noted President Joly. “We must maintain adequate funding in order to ensure sufficient monetary reserves are available to provide essential water services to meet the daily needs of our customers. These services are vital for commerce, public health, sanitation and fire protection purposes.”

Reasons for Rate Structure Changes. State law requires that the District’s water rate structure ensures that each class of customers continues to pay a fair and proportional share of cost. The recently completed 2020 Water Rate Study identified various changes that were necessary to maintain compliance with state regulations.

Lowest Rates in Marin County. “North Marin Water District rates are the lowest in the county and are in the middle tier for the entire Bay Area region,” said General Manager Drew McIntyre. “The District has worked consistently to keep customer rates low by controlling costs. We have fewer staff today than we did a decade ago. We have also reduced future retirement benefit costs, decreased electrical costs by installing clean solar power for Stafford Treatment Plant operation, obtained over \$10M in grant funds

for recycled water expansion and saved \$18M by sharing the cost of a large aqueduct project with other public agencies.”

The Main Factors Necessitating the Increase Are to Pay for Higher Imported Water Costs and to Conduct Critical Upgrades to Facilities. Imported water costs, which constitute 30% of our budget, will be increasing 6.8% this year, effective July 1. The District must also continue to fund capital improvements for upsizing pipelines and expanding water storage for fire protection. Additionally, improvements are essential to the District’s pipelines, pumps, treatment facilities, valves, hydrants, laboratory and other facilities that are aging and require ongoing upgrades and replacements. The District must increase investment in these facilities from about \$2.5 million per year to \$4 million per year. This single year rate increase will raise \$0.8 M in additional revenue in fiscal year 2020-21.

For More Information. A convenient annual water cost calculator tool is available on the District’s website where customers can review their current bill, see how it will change under the new rates, and obtain additional rate information. Customers interested in learning more about the rates or the Low-Income Rate Assistance Program can access more information via the website (nmwd.com) or contact the District by email (info@nmwd.com), or phone (415-897-4133).

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